



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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November 5, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**FIRE DEPARTMENT: AUTHORIZE THE TITLE TRANSFER OF FIVE FIRE STATION
PROPERTIES TO BE PLEDGED UNDER THE COUNTY TAX-EXEMPT
COMMERCIAL PAPER PROGRAM; DIRECT THE CHIEF EXECUTIVE OFFICER,
FIRE CHIEF, AND COUNTY COUNSEL TO RETURN TO YOUR BOARD TO
EXECUTE NECESSARY DOCUMENTATION
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

This recommended action will authorize the transfer of title to five fire stations from the Consolidated Fire Protection District of the Los Angeles County to the Los Angeles County to provide security for the County's tax-exempt commercial paper (TECP) program and allow the release of the Compton and Santa Monica Courthouses from the TECP program. In addition to facilitating the transfer of the courthouses to the State, the pledge of these fire stations will also provide security for the issuance of the TECP to finance construction of the six new fire stations in the Santa Clarita Valley.

**IT IS RECOMMENDED THAT YOUR BOARD, ACTING AS THE GOVERNING BODY
OF THE CONSOLIDATED FIRE PROTECTION DISTRICT:**

Approve the quitclaim title transfer of five fire stations (Stations 89-Agoura Hills, 72-Malibu, 93-Palmdale, 108-Santa Clarita, and 136-Palmdale) from the Consolidated Fire Protection District of Los Angeles County to the County of Los Angeles to provide security for the County's TECP program.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

IT IS RECOMMENDED THAT YOUR BOARD:

1. Direct the Chief Executive Office, Treasurer-Tax Collector, and County Counsel to prepare and execute the appropriate quitclaim documents for the transfer of five fire stations (Stations 89-Agoura Hills, 72-Malibu, 93-Palmdale, 108-Santa Clarita, and 136-Palmdale) from the Consolidated Fire Protection District of Los Angeles County to the County of Los Angeles to provide security for the County's TECP program fire stations, and any other documentation required to complete the recommended title transfer.
2. Direct the Chief Executive Office to ensure the continued operation of the five quitclaimed fire stations by the Consolidated Fire Protection District of Los Angeles and direct the Fire Chief, Chief Executive Officer, and County Counsel to return to your Board within 30 days to approve and execute necessary documentation affirming the Consolidated Fire Protection District of Los Angeles continued use and operation of each facility.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions are necessary to allow the transfer of the Compton and Santa Monica Courthouse properties to the State of California, an action expected to be brought before your Board on November 18, 2008. These courthouse properties are currently pledged as security for the County's tax-exempt commercial paper (TECP) program.

Background

On June 17, 2008, your Board approved the pledge of non-Courthouse properties to the TECP program to provide sufficient collateral to allow the release of County courthouses that were currently pledged as security to the TECP program. That substitution was necessary to allow the transfer of the courthouses to the State of California to proceed. Fire Stations 89 (Agoura Hills), 72 (Malibu), 93 (Palmdale), 108 (Santa Clarita), and 136 (Palmdale) were among the properties your Board pledged as security for the TECP program.

In addition to facilitating the transfer of the courthouses to the State, the pledge of these fire stations will also provide security for the issuance of TECP to finance construction of new fire stations. On May 13, 2008, your Board approved the issuance of \$78.6 million in TECP to fund construction of six new fire stations in the Santa Clarita Valley. Under the financing plan approved by your Board, the TECP will be redeemed through the

issuance of long-term bonds to be repaid by the Consolidated Fire Protection District of Los Angeles County (District).

Required Quitclaim Deeds

The pledge of the fire station properties cannot be consummated, however, until title to the fire stations is formally conveyed from the District to the County through the execution of quitclaim deeds to legally pledge these properties as security to the TECP program.

Execution of the quitclaim deeds for these fire station properties will allow the Compton and Santa Monica Courthouse properties to be released as security for the TECP program and free them for transfer to the State and will provide sufficient security to support the issuance of TECP to finance the construction of the six new fire stations. Upon the redemption of the TECP issued for the fire stations through the issuance of long-term financing, we will return to your Board to deed the pledged fire station properties back to the District.

Finally, despite the transfer of title to the fire stations from the District to the County, the District's operation of the facilities will continue without interruption. The District, Chief Executive Office, and County Counsel will return to your Board in the next 30 days with appropriate documents that affirm the continued use of the pledged fire stations for District purposes during their temporary ownership by the County.

FISCAL IMPACT/FINANCING

Approval of the recommended actions will enable the County to complete the property substitution to the TECP program approved by your Board on June 17, 2008. As indicated in that action, the net property insurance premiums in the TECP program may increase resulting from the substitution of pledged properties. These costs are still unknown at this time. We will return to your Board with funding recommendations if it is determined that such costs will exceed 2008-09 budget appropriations.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

County Counsel and outside bond counsel will prepare the quitclaim deeds and any other documentation necessary to complete the recommended title transfer.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended actions will ensure that the County's TECP program continues to maintain the appropriate collateral level and support ongoing high priority health and public safety projects.

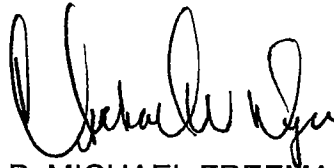
CONCLUSIONS

Please return one adopted, stamped copy of this letter to my office.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer



For

P. MICHAEL FREEMAN
Fire Chief

WTF:PMF:DL
JSE:DJT:PB:zu

c: County Counsel
Fire Department
Treasurer-Tax Collector